

Schedule 13
1331 Change Request for FY 08-09 Budget Request Cycle

Request Title: 1331 Emergency College Opportunity Fund Allocation Adjustment
Department: Department of Higher Education
Priority Number: N/A

Decision Item FY 08-09 ☐ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☒ **Budget Request Amendment FY 08-09** ☐

Dept. Approval by: *[Signature]* **Date:** 6-18-08
OSPB Approval: *[Signature]* **Date:** 6-18-08

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	1331 Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	2,096,426,973	2,313,399,681	0	2,313,399,681	2,253,230,326	0	2,253,230,326	0	2,253,230,326	0
	FTE	18,267.5	18,957.5	0.0	18,957.5	18,233.8	0.0	18,233.8	0.0	18,233.8	0.0
	GF	344,098,530	331,384,012	0	331,384,012	331,384,012	0	331,384,012	0	331,384,012	0
	GFE	235,400,000	294,300,000	0	294,300,000	294,300,000	0	294,300,000	0	294,300,000	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	1,516,928,443	1,687,715,669	0	1,687,715,669	1,627,546,314	0	1,627,546,314	0	1,627,546,314	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) College Opportunity Fund Program	Total	318,691,920	327,010,920	2,685,272	329,696,192	326,660,516	0	326,660,516	0	326,660,516	0
(A) Stipends state institutions	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	83,291,920	29,675,244	2,685,272	32,360,516	32,360,516	0	32,360,516	0	32,360,516	0
	GFE	235,400,000	294,300,000	0	294,300,000	294,300,000	0	294,300,000	0	294,300,000	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	3,035,676	0	3,035,676	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) College Opportunity Fund Program	Total	774,000	1,065,330	0	1,065,330	1,065,330	0	1,065,330	0	1,065,330	0
(A) Stipends private institutions	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	774,000	1,065,330	0	1,065,330	1,065,330	0	1,065,330	0	1,065,330	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Schedule 13
1331 Change Request for FY 08-09 Budget Request Cycle

Request Title: Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☒ Budget Request Amendment FY 08-09 ☐
Department: 1331 Emergency College Opportunity Fund Allocation Adjustment
Priority Number: Department of Higher Education **Dept. Approval by:**
N/A **OSPb Approval:** **Date:**
Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	1331 Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(4) College Opportunity Fund Program (B) Fee-for-service Contracts with State Institutions	Total	260,032,610	300,643,438	(2,685,272)	297,958,166	297,958,166	0	297,958,166	0	297,958,166	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	260,032,610	300,643,438	(2,685,272)	297,958,166	297,958,166	0	297,958,166	0	297,958,166	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(5) Governing Boards (B) Trustees of Mesa State College	Total	40,740,708	44,562,209	0	44,562,209	0	0	0	0	0	0
	FTE	426.6	452.2	0.0	452.2	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	40,740,708	44,562,209	0	44,562,209	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(5) Governing Boards (E) Board of Governors of the Colorado State University System	Total	293,191,717	325,038,981	0	325,038,981	325,038,981	0	325,038,981	0	325,038,981	0
	FTE	3,750.1	3,852.4	0.0	3,852.4	3,852.4	0.0	3,852.4	0.0	3,852.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	293,191,717	325,038,981	0	325,038,981	325,038,981	0	325,038,981	0	325,038,981	0
	FF	0	0	0	0	0	0	0	0	0	0

Schedule 13
1331 Change Request for FY 08-09 Budget Request Cycle

Request Title: Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☒ Budget Request Amendment FY 08-09 ☐
Department: 1331 Emergency College Opportunity Fund Allocation Adjustment
Priority Number: Department of Higher Education **Dept. Approval by:**
N/A **OSPB Approval:** **Date:**
Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	1331 Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(5) Governing Boards (I) University of Northern Colorado	Total	89,730,758	91,885,637	0	91,885,637	91,885,637	0	91,885,637	0	91,885,637	0
	FTE	1,006.9	1,015.0	0.0	1,015.0	1,015.0	0.0	1,015.0	0.0	1,015.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	89,730,758	91,885,637	0	91,885,637	91,885,637	0	91,885,637	0	91,885,637	0
	FF	0	0	0	0	0	0	0	0	0	0
(5) Governing Boards (J) State Board for Community Colleges and Occupational Education State System	Total	240,004,864	271,537,443	0	271,537,443	271,537,443	0	271,537,443	0	271,537,443	0
	FTE	4,669.5	4,576.4	0.0	4,576.4	4,576.4	0.0	4,576.4	0.0	4,576.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	240,004,864	271,537,443	0	271,537,443	271,537,443	0	271,537,443	0	271,537,443	0
	FF	0	0	0	0	0	0	0	0	0	0

Schedule 13
1331 Change Request for FY 08-09 Budget Request Cycle

Request Title: Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☒ Budget Request Amendment FY 08-09 ☐
Department: 1331 Emergency College Opportunity Fund Allocation Adjustment
Priority Number: Department of Higher Education
 Dept. Approval by: _____ Date: _____
 OSPB Approval: _____ Date: _____

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10

Letternote revised text:

(5)(B) Trustees of Mesa State College of Denver: Of this amount, \$22,376,340 shall be from General Fund appropriated to the College Opportunity Fund Program in the Department of Higher Education, \$21,852,869 shall be from the students' share of tuition, and \$360,000 shall be from academic fees and academic facility fees. Of the amount from the College Opportunity Fund Program, \$11,494,359 \$11,701,293 shall be from student stipend payments and ~~\$19,884,900~~ \$10,675,047 shall be from fee-for-service contracts.

(5)(E) Board of Governors of the Colorado State University System: Of this amount, \$133,789,929 shall be from General Fund appropriated to the College Opportunity Fund Program in the Department of Higher Education, \$186,829,052 shall be from the students' share of tuition, and \$4,250,000 shall be from academic fees and academic facility fees, and \$170,000 shall be from moneys appropriated to the Department of Local Affairs from the Local Government Mineral Impact Fund created in Section 34-63-102(5), C.R.S. The amount from the Local government Mineral Impact Fund represents a 2008 calendar year grant, and any unexpended balance on June 30, 2008 is intended to roll forward and remain available for expenditure through June 30, 2009. Of the amount from the College Opportunity Fund Program, ~~\$50,951,610~~ \$51,120,902 shall be from student stipend payments and ~~\$82,838,319~~ \$82,669,027 shall be from fee-for-service contracts.

(5)(I) University of Northern Colorado: Of this amount, \$41,156,170 shall be from General Fund appropriated to the College Opportunity Fund Program in the Department of Higher Education, \$49,973,000 shall be from the students' share of tuition, and \$756,467 shall be from academic fees and academic facility fees. Of the amount from the College Opportunity Fund Program, ~~\$24,771,180~~ \$22,126,286 shall be from student stipend payments and ~~\$19,384,990~~ \$19,029,884 shall be from fee-for-service contracts.

(5)(J) State Board for Community Colleges and Occupational Education State System Community Colleges: Of this amount, \$132,308,866 shall be from General Fund appropriated to the College Opportunity Fund Program in the Department of Higher Education, \$133,589,725 shall be from the students' share of tuition, and \$5,618,026 shall be from academic fees and academic facility fees. Of the amount from the College Opportunity Fund Program, ~~\$106,221,144~~ \$108,175,075 shall be from student stipend payments and ~~\$26,087,722~~ \$24,133,791 shall be from fee-for-service contracts.

Cash Fund name/number, Federal Fund Grant name: Local Government Mineral Impact Fund (#153). Tobacco Litigation Settlement Moneys Health Education Fund (#320).

IT Request: ☐ Yes ☒ No

Request Affects Other Departments: ☐ Yes ☒ No If Yes, List Other Departments Here:

1331 CHANGE REQUEST for FY 2007-08 BUDGET REQUEST CYCLE

Department:	Higher Education
Priority Number:	N/A
Change Request Title:	1331 Emergency College Opportunity Fund Allocation Adjustment

SELECT ONE (click on box):

- ☐ Decision Item FY 2009-10
☐ Base Reduction Item FY 2009-10
☒ Supplemental Request FY 2007-08
☐ Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
☒ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☒ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The intent of this 1331 supplemental request is to ensure that each governing board receives their full FY 2007-08 appropriation and that those governing boards whose College Opportunity Fund billing for the fiscal year exceeds the amount authorized in the FY 2007-08 Long Bill (S.B. 07-239) and amended in H.B. 08-1375 during figure setting have sufficient spending authority to cover their stipend billings for the year. This request aligns with the Joint Budget Committee's action during figure setting when the Committee adjusted each governing board's split between College Opportunity Fund stipends and their fee for service contract based on updated enrollment estimates and this request is based on final FY 2007-08 College Opportunity Fund stipend billings.

The Department of Higher Education (Department) requests transfers in the following amounts from these governing board's fee for service contracts to College Opportunity Fund stipends to provide adequate spending authority to cover their final FY 2007-08 College Opportunity Fund eligible enrollments.

• Colorado Community College System:	\$1,953,931
• Colorado State University System:	\$169,292
• Mesa State College:	\$206,943
• <u>University of Northern Colorado:</u>	<u>\$355,106</u>
Total Transfer amount:	\$2,685,272

Overall, the Department's request is revenue neutral as it only transfers moneys between two subsections of each governing board's letter note Cash Funds Exempt allocation.

Background and Appropriation History:

The College Opportunity Fund program was established pursuant to S.B. 04-189, changing how the state distributes funds to participating institutions of higher education. Under the program, stipends are distributed to eligible undergraduate students based on a fixed amount determined by the General Assembly. In FY 2007-08, the stipend amount was set at \$89 per credit hour or \$2,670 per student full time equivalent (FTE or 30 credit hours). This system established a new means of funding higher education in which a portion of an institution's appropriation is directly tied to each COF-eligible student and therefore enrollments. The remaining portion of the institution's appropriation is distributed through negotiated fee for service contracts between the Department and each governing board.

Although College Opportunity Fund stipends are distributed directly to the institutions on behalf of eligible students, the legislature still authorizes spending authority for each governing board and determines the split between stipends and the fee for service contract in the annual Long Bill. These appropriations are based primarily on enrollment projections. Although the Department collects and updates enrollment figures throughout the year and shares this information with the Joint Budget Committee and the Legislative Council, final College Opportunity Fund stipend billings do not always match the projections used to determine stipend enrollments/allocations because these projections are typically a year out and difficult to accurately project. During the 2008 figure setting, the Joint Budget Committee adjusted each governing board's funding split between stipends and the fee for service contract. This adjustment was based on the

February 2008 projection of stipend-eligible enrollments for FY 2007-08 from the Legislative Council. The following chart summarizes these adjustments:

<i>FY 2007-08 Governing Board's College Opportunity Fund Appropriation Splits</i>						
	SB07-289*			HB08-1375* (pages 290 to 293)		
Governing Board	Original Stipend	Original Fee For Service	Total	Original Stipend	Original Fee For Service	Total
ASC	3,770,040	9,854,040	13,624,080	3,713,970	9,910,110	13,624,080
MSC	12,087,090	10,289,250	22,376,340	11,494,350	10,881,990	22,376,340
MSCD	40,696,140	3,948,770	44,644,910	41,379,660	3,265,250	44,644,910
WSC	3,866,160	7,489,531	11,355,691	3,738,000	7,617,691	11,355,691
CSU System	51,234,630	82,555,299	133,789,929	50,951,610	82,838,319	133,789,929
FLC	6,829,860	4,824,075	11,653,935	6,795,150	4,858,785	11,653,935
CU System	73,075,230	121,911,110	194,986,340	73,844,190	121,142,150	194,986,340
CSM	7,235,700	14,501,571	21,737,271	7,080,840	14,656,431	21,737,271
UNC	23,317,110	17,839,060	41,156,170	21,771,180	19,384,990	41,156,170
CCCS*	104,020,530	28,309,162	132,329,692	106,241,970	26,087,722	132,329,692
*Includes HB 07-1256 appropriation for CCCS (\$20,826 cash funds exempt for stipends)						

Further, Section 23-18-102 (1) (c), C.R.S. (2007) allows the Department to transfer up to 3% of a governing board's cash fund exempt spending authority from stipends to fee for service. However, this authority does not allow the Department to transfer up to 3% from the fee for service contract to College Opportunity Fund stipends; therefore, in order to hold each governing board to their FY 2007-08 appropriation and to cover the actual stipend-eligible enrollments billed during the fiscal year, the Department requests the adjustments described below in the *General Description of Request* section.

General Description of Request:

The intent of this 1331 supplemental request is to provide sufficient spending authority for the following governing boards to receive COF stipend payments on behalf of all students who authorized the stipend in FY 2007-08: the Colorado Community College System, the Colorado State University System, Mesa State College, and the University of Northern Colorado. The remaining institutions' appropriations can be adjusted under the authority granted to the Department pursuant to Section 23-18-101 (1) (c), C.R.S. (2007). The Department has submitted this request as an emergency supplemental because this additional spending authority must be provided before the end of the fiscal year to provide sufficient time for governing boards to close out their books and because most institutions have budgeted the use of these funds in FY 2007-08.

In order to align with the fiscal year for budgeting purposes, institutions bill the College Opportunity Trust Fund four times during the year. The final bill for the first summer session of the academic year closes out each fiscal year. This bill is due by June 15th (or the prior business day) each year. It is not possible to require institutions to submit these summer invoice billings earlier in the year because they are tied directly to most institutions drop/add date for the first summer session. Now that the final billings have been received by the Department each governing board's split between stipends and fee for service contracts can be adjusted to reflect actual year end data, instead of relying on projections. To do so, the Department requests the transfer of the following amounts from the respective governing board's fee for service contract to COF stipends:

• Colorado Community College System:	\$1,953,931
• Colorado State University System:	\$169,292
• Mesa State College:	\$206,943
• <u>University of Northern Colorado:</u>	<u>\$355,106</u>
Total Transfer amount:	\$2,685,272

The participating private institutions (University of Denver and Regis University) have also exceeded their projected College Opportunity Fund stipend spending authority by \$13,860. Because these institutions do not have corresponding fee for service contract,

the Department anticipates covering this overage through an internal transfer from its administration line item Under (2) Colorado Commission on Higher Education.

Section 23-18-202 (4) (b), C.R.S. (2007) specifies that in the event moneys in the College Opportunity Fund are not sufficient to provide the established per credit hour rate to each student who authorizes the stipend during a given fiscal year, the Joint Budget Committee should reduce the amount of the stipend per credit hour for all students to match the amount of funding available. However, given the Joint Budget Committee's action during figure setting this year to hold each governing board to their appropriation by adjusting their split between stipends and the fee for service contract, the Department believes the request to adjust the funding split for governing boards requiring additional stipend spending authority is a more efficient and equally effective means to provide stipend funding on behalf of every student who authorized the stipend in FY 2007-08 and aligns with the Joint Budget Committee's intent during figure setting. In addition, the statutory allowance to adjust down the per credit hour stipend at year end to cover the amount of available funding would still require a 1331 supplemental submission and Joint Budget Committee action.

In FY 2005-06, the first year of the College Opportunity Fund program, the General Assembly originally allocated stipends for 120,252 student FTE to the College Opportunity Trust Fund. It became clear in the 2006 legislative session, however, that this projection was high and the projection was adjusted down to 113,269 student FTE and additional moneys were transferred into each governing board's fee for service contract. It is important to note that there was a "hold harmless" agreement in place for the first year of the program which was recognized by the General Assembly, the Department, and the governing boards, thus governing boards would not receive their overall funding levels agreed to in this first year if actual enrollments were low. It was during this year that the Department supported H.B. 06-1399 which allows for the transfer of up to 3% of a governing board's stipend allocation to their fee for service contract. At year end, the actual final billings for the stipend in FY 2005-06 came to 114,930 student FTE, slightly higher than the revised amount. To close out FY 2005-06 the Department determined that each governing board's total appropriation of College

Opportunity fund stipends and fee for service was kept whole and that the available funds to cover stipend enrollments over the projected enrollments was provided through their fee for service contract.

In FY 2006-07, the Department did not request a supplemental to true up College Opportunity Fund stipends and fee for service contracts. For those governing boards with actual stipend billings more than 3% below the projections set in the Long Bill, the institutions lost that revenue. There was one public institution that came in above stipend projections. The Department covered the over enrollment for Metropolitan State College of Denver (\$1,526,800) from the College Opportunity Trust Fund reserve balance. There is not a sufficient balance in FY 2007-08 to cover the additional stipend funding for the Colorado Community College System, the Colorado State University System, Mesa State College, and the University of Northern Colorado.

Consequences if Not Funded:

Governing boards will have insufficient spending authority to receive College Opportunity Fund stipend payments on behalf of eligible students in FY 2007-08. Although the request is revenue neutral overall, if institutions do not receive sufficient stipend spending authority a couple of accounting issues will arise. For accounting purposes, stipends are recorded as a payment of accounts receivable for total tuition and if this supplemental is not approved, they will write off this receivable as bad debt. Final budget data book submissions for FY07-08 are due to the Department in September, and if this request is not approved, the integrity of these governing board's submissions will be compromised making data analysis and budgeting more difficult in future years. Finally, submitting this request for the September 23rd, 2008 Joint Budget Committee hearing or as a normal supplemental during the 2009 legislative session would be too late to address the aforementioned accounting issues.

Calculations for Request:

Summary of Request FY 2007-08	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0
College Opportunity Fund Program Stipends – state institutions	\$2,685,272	\$2,685,272	\$0	\$0	\$0	0.0
College Opportunity Fund Program Fee-for-service Contracts with State Institutions	(\$2,685,272)	(\$2,685,272)	\$0	\$0	\$0	0.0

FY07-08 Final COF Payments

Governing Board	Total*	Credit Hours	HB08-1375 Appropriation	Difference	3% Allowable	FFS to COF	Credit Hours
ASC	3,667,925	41,213	3,713,970	46,045	111,419		
CCCS	108,195,901	1,215,684	106,241,970	(1,953,931)		1,953,931	21,954
CSM	7,079,257	79,542	7,080,840	1,583	212,425		
CSU	51,120,902	574,392	50,951,610	(169,292)	1,528,548	169,292	1,902
CU	73,652,240	827,553	73,844,190	191,950	2,215,326		
FLC	6,775,801	76,133	6,795,150	19,349	203,855		
MSC	11,701,293	131,475	11,494,350	(206,943)		206,943	2,325
MSCD	40,888,137	459,417	41,379,660	491,523	1,241,390		
Private Institutions	1,079,190	12,126	1,065,330	(13,860)			
UNC	22,126,286	248,610	21,771,180	(355,106)		355,106	3,990
WSC	3,731,330	41,925	3,738,000	6,670	112,140		
Totals	330,018,262	3,708,070	328,076,250			2,685,272	

**The "Total" column reflects the actual College Opportunity Fund stipends paid to institutions for FY 2007-08.*

1331 Request FY 2007-08 Governing Board's College Opportunity Fund Appropriation Splits							
	HB08-1375* (pages 290 to 293)				Result of 1331 Request		
Governing Board	Original Stipend	Original Fee For Service	Total	1331 Requested Transfer of Fee For Service to Stipend	June 2008 1331 Requested Stipend	June 2008 1331 Requested Fee For Service	Total
ASC	3,713,970	9,910,110	13,624,080		3,713,970	9,910,110	13,624,080
MSC	11,494,350	10,881,990	22,376,340	206,943	11,701,293	10,675,047	22,376,340
MSCD	41,379,660	3,265,250	44,644,910		41,379,660	3,265,250	44,644,910
WSC	3,738,000	7,617,691	11,355,691		3,738,000	7,617,691	11,355,691
CSU System	50,951,610	82,838,319	133,789,929	169,292	51,120,902	82,669,027	133,789,929
FLC	6,795,150	4,858,785	11,653,935		6,795,150	4,858,785	11,653,935
CU System	73,844,190	121,142,150	194,986,340		73,844,190	121,142,150	194,986,340
CSM	7,080,840	14,656,431	21,737,271		7,080,840	14,656,431	21,737,271
UNC	21,771,180	19,384,990	41,156,170	355,106	22,126,286	19,029,884	41,156,170
CCCS*	106,241,970	26,087,722	132,329,692	1,953,931	108,195,901	24,133,791	132,329,692
*Includes HB 07-1256 appropriation for CCCS (\$20,826 cash funds exempt for stipends)							

Assumptions for Calculations:

Calculations are based on final billings from institutions of higher education to the College Opportunity Trust Fund.

Impact on Other Government Agencies:

This supplemental request should require no additional full-time employees or administrative costs to the Department, higher education institutions, or other state agencies/departments.

Cost Benefit Analysis:

N/A

Implementation Schedule:

Task	Month/Year
Start-Up Date	Upon approval of request

Statutory and Federal Authority:

This request is consistent with the directive in, Section 23-18-201, C.R.S. (2007) Section 23-18-202 (2) (c), C.R.S (2007), and Section 23-5-129 (5) (a), C.R.S (2007).

Section 23-18-201, C.R.S (2007). *There is hereby created in the department of higher education the college opportunity fund program, which shall be administered by the Colorado student loan program. The college opportunity fund, created in section 23-18-202, shall be a trust fund for the benefit of eligible undergraduate students. It shall consist of a stipend for each undergraduate student in Colorado who applies for the stipend and who is admitted and registers to attend a state or participating private institution of higher education and is determined to be eligible by the Colorado student loan program to receive a stipend. An eligible undergraduate student may use the stipend for undergraduate courses and graduate-level courses that apply toward the student's undergraduate degree that are taken at a state or participating private institution of higher education at a fixed rate per credit hour, set annually by the general assembly.*

Section 23-18-202 (2) (c), C.R.S. (2007) *The commission shall forward to the general assembly and the governor, by November 1 of each year, a list of institutions eligible to receive stipends on behalf of eligible undergraduate students under the program. The commission shall annually request that the general assembly adjust the amount appropriated to the Colorado student loan program for the stipends to reflect at least inflation enrollment growth in the state institutions of higher education.*

Section 23-5-129 (5) (a), C.R.S (2007), *Beginning January 2006, and each January thereafter, the department of higher education shall report to the members of the education committees of the senate and the house of representatives and the members of the joint budget committee of the general assembly the financial effect of the provisions*

of each performance contract with regard to funding for the affected governing board of a state institution of higher education and overall funding for the statewide system of higher education, any exemptions granted pursuant to subsection (4) of this section, and a review of each state or private institution's operations under the institution's performance contract. The term of a performance contract may be up to ten years. The department of higher education may renew a performance contract at its discretion, with the agreement of the governing board.

Performance Measures:

<i>DHE Objective</i>	<i>Key Measure: Outcomes</i>		<i>Benchmark/Actual</i>			
			<i>FY 05-06</i>	<i>FY 06-07</i>	<i>FY 07-08 Appropriated</i>	<i>FY 08-09 Request</i>
restore adequate revenues over the next several years	peer institutions' avg. revenues	B	100%	100%	100%	100%
		A	-	63.7%	67.3%	71.0%
coordinated and coherent system; measures of performance and outcomes	double degrees and certificates	B	N/A	N/A	75,000	75,000
		A	37,793	40,300	43,100	46,100